

# CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

CENTRAL VALLEY COMMUNITY BANCORP

Point of Contact:	Daniel J. Doyle	RSSD: (For Bank Holding Companies)	2935405
UST Sequence Number:	353	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	7,000,000	FDIC Certificate Number: (For Depository Institutions)	23030
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 30, 2009	City:	Fresno
Date Repaid <sup>1</sup> :	N/A	State:	California

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Total gross loans decreased from 12/31/09 to 12/31/10 by \$27.6 million or 6.01%. The CPP Capital did not have a direct benefit to help in an increase in lending, nor did it cause the decline in lending either. Having the add'l Capital helped keep the Classified Assets Ratio in an acceptable range.

☐ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

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☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☒ Increase reserves for non-performing assets.

The Allowance for Loan Losses increased \$814,000 comparing 12/31/09 to 12/31/10. While this would have taken place without the CPP, by having the additional Capital it allowed the bank to keep high levels of capital and exceed the levels of a Well Capitalized bank.

☒ Reduce borrowings.

The bank reduced borrowings from 12/31/09 to 12/31/10 by \$5 million. This reduction provided the availability of additional liquidity if needed by the bank by being able to re-borrow the funds for bank needs.

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☐ Increase charge-offs.

☒ Purchase another financial institution or purchase assets from another financial institution.

The bank acquired another financial institution on November 12, 2008 that had financial difficulties. The CPP Capital replaced some of the capital used to make the acquisition and allow the bank time to rebuild capital since that purchase date in order to remain Well Capitalized.

☐ Held as non-leveraged increase to total capital.

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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

While it is difficult to attribute specific events and management decisions purely to CPP Capital, we believe it did provide us the "cushion" in our capital and key bank ratios that did not force us to shrink the performing loans of the bank and we were not forced to reduce our work force, we were able to work with customers on restructuring of loans and we were still able to provide support to our communities with banking services and provide donations as well as the time and talent of our employees.

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### What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

While it is difficult to attribute specific actions or management decisions purely on CPP Capital, we did hire more employees in Merced and Modesto as another bank was closing its offices and reducing the size of its bank. Having the additional capital allows us to service these communities with banking service while we were building the profitability of the locations to replace the start up capital.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.